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Voluntary - Public

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Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

TH9172 Domestic and export prices trended upward in anticipation of the Philippines' record purchase next month. In addition, the likelihood of the strengthening Thai baht fueled current price fluctuations. The benchmark prices for Nov. 15-30 have been established and are higher than those of the previous period. This will result with farmers receiving less compensation, however they will likely be better off as benchmark prices are lower than current market prices.

Market Tone

Table 1: Export Prices (F O B) for various grades of Thai rice (USD/MT), Week ending Nov. 16, 2009

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	1,000	-	1,000	-	1,000	990	-	998	996
WR 100 B	540	-	570	-	550	550	600	562	547
PB 100%	575	-	620	-	570	575	600	588	578
PB 5%	570	-	600	-	565	570	580	577	569
WR 5%	510	-	550	-	530	525	580	539	522
WR 10%	500	-	-	-	520	515	-	512	513
WR 15%	475	-	-	-	-	495	-	485	483
WR 25%	440	-	-	-	-	455	-	448	448
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	325	-	320	-	320	340	-	326	323
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.30 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices trended upward as the Philippines will hold an additional tender on December 8, 2009 for 600,000 tons of 25% grade white rice for February – May 2010 delivery. This tender is a result of increasingly tighter domestic supplies due to typhoon damages on this year's rice harvest. As such, exporters expect that Thai rice prices will continue to increase next week, despite the fact that Vietnamese rice will likely prevail on most of the contracts for this tender. In addition, the strengthening of the Thai Baht this week to 32.9 baht/\$ from 33.1 baht/\$ compelled exporters to ask for higher dollar prices to compensate for the drop in Baht revenue.

The bi-weekly benchmark prices for November 15-30, 2009 have been established. The benchmark price for white rice increased from the previous period due to the implementation of additional government measures (direct purchase of 2.0 million tons of white rice paddy at benchmark prices) to stabilize domestic prices while implementing the new price insurance program. Despite smaller compensation for white rice from the price insurance program during this period, farmers will benefit as benchmark prices remain lower than current market prices.

Table 2: Price Insurance Scheme for MY 2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	10,000	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/}					
Oct. 1-15	14,986	13,899	9,896	7,523	8,806
Oct. 16-31	14,940	13,860	8,940	7,470	8,466
Nov. 1-15	14,840	13,729	9,175	7,680	8,389
Nov. 16-30	13,002	12,620	10,501	8,473	8,914
4. Compensation (1-2), (Baht/ton)					
Oct. 1-15	314	401	104	1,977	1,194
Oct. 16-31	360	440	1,060	2,030	1,534
Nov. 1-15	460	571	825	1,820	1,611
Nov. 16-30	2,298	1,680	-	1,027	1,086
5. Market prices (Baht/ton)					
Oct. 1-15	n.a.	n.a.	8,500	n.a.	8,600
Oct. 16-31	13,675	n.a.	8,575	n.a.	8,150
Nov. 1-15	14,075	14,000	9,775	8,800	8,525

Note:

^{a/} Cabinet approval on Sep. 22, 2009

^{b/} The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

Rice Export Update

Unofficial exports (excluding fragrant rice) for November 9-15, 2009 totaled 112,300 tons, up 18,317 tons from the previous week, and down 4,141 tons from the four-week moving average of 116,441 tons. Exports of white rice during January 1 – November 15, 2009 totaled 5,236,660 tons, as compared with 6,996,775 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – October 30, 2009 amounted to 7,182,576 tons, down 20.1 percent from 8,992,601 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Aug 30	139,731	123,253	3,966	5,851	-32.2
Sep 6	105,702	120,985	4,071	5,988	-32.0
Sep 13	134,061	126,434	4,205	6,118	-31.3
Sep 20	142,128	130,406	4,348	6,246	-30.4
Sep 27	116,648	124,635	4,464	6,383	-30.1
Oct 4	96,150	122,247	4,560	6,468	-29.5
Oct 11	108,202	115,782	4,669	6,536	-28.5
Oct 18	102,396	105,849	4,771	6,692	-28.7
Oct 25	145,259	113,002	4,916	6,771	-27.4
Nov 1	114,220	117,520	5,030	6,827	-26.3
Nov 8	93,983	113,965	5,124	6,908	-25.8
Nov 15	112,300	116,441	5,237	6,997	-25.2

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales

Movement (MT)	Oct. 26-30	Nov. 2-6	Nov. 9-13
Weekly sales	121,289	76,914	149,241
4 week sum	480,171	473,546	471,003
4 week mov. avg.	120,043	118,387	117,751
Total weekly sales	5,395,642	5,472,556	5,621,797

End of report.